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11 UNITED STATES BANKRUPTCY COURT
12 FOR THE DISTRICT OF NEVADA

13 In re:

14 MURDER INC., LLC,
15 Debtor.

Case No.: BK-S-11-26317-BAM
Chapter 11

Date: October 24, 2011
Time: 9:30 a.m.

17 SUPPLEMENTAL DECLARATION OF LOUIS VENTRE IN SUPPORT OF
DEBTOR'S MOTION SEEKING INTERIM AND FINAL ORDERS:
18 (1) AUTHORIZING THE DEBTOR TO OBTAIN POST-PETITION FINANCING,
19 (2) GRANTING LIENS AND SUPER-PRIORITY ADMINISTRATIVE EXPENSE
20 STATUS, (3) MODIFYING THE AUTOMATIC STAY, AND (4) SETTING AND
PRESCRIBING THE FORM AND MANNER OF NOTICE FOR A FINAL HEARING

21 I, Louis Ventre, hereby declare as follows:

22 1. I am over the age of 18 and am mentally competent. I have personal knowledge
23 of the matters set forth herein, and if called upon to testify could and would do so in accordance
24 herewith. I make this declaration (the "Supplemental Declaration") to provide further detail to
25 my testimony as set forth in the Omnibus Declaration of Louis Ventre in Support of Debtor's
26 First Day Motions and Other Relief (the "Omnibus Declaration") [ECF No. 10], and in further
27 support of the Debtor's Motion Seeking Interim and Final Orders: (1) Authorizing the Debtor to
28 Obtain Post-Petition Financing, (2) Granting Liens and Super-Priority Administrative Expense

1 Status, (3) Modifying the Automatic Stay, and (4) Setting and Prescribing the Form and Manner
2 of Notice for a Final Hearing (the “DIP Financing Motion”) [ECF No. 12]. I have also read and
3 am generally familiar with the Objection to the DIP Financing Motion filed by Vion and
4 Strategic (the “V-S Objection”) [ECF No. 32].

5 2. It is fanciful for Vion and Strategic to suggest that potential alternative financing
6 is available to the Debtor on “less onerous terms” than what is proposed in the DIP Financing
7 Motion for numerous reasons, including those set forth in my Omnibus Declaration and as
8 supplemented herein.

9 3. First, as more fully described in the Omnibus Declaration, and prior to my
10 appointment as manager of the LVME, the Debtor undertook a number of creative and even
11 desperate ways to finance the construction and completion of the LVME prior to its opening.
12 These efforts were necessitated given the shortfall of funds from the existing financing efforts.
13 Indeed, the fact that the LVME entered into the V-S Agreements with Vion and Strategic,
14 thereby factoring its future receivables, and doing so several months prior to even opening,
15 clearly demonstrate the dire financial situation the LVME has been in and the lack of other
16 available and reasonable financing alternatives.

17 4. Second, Vion and Strategic neglect to mention in their Objection that they
18 themselves (or Vion’s parent company) had a preliminary discussion with the Tropicana--the
19 party who holds a substantial amount of leverage over the Debtor’s reorganization efforts given
20 the existing defaults under the Lease and the asserted mechanics’ liens—about potentially
21 providing DIP financing, however, based on the terms and conditions that Vion and Strategic
22 demanded from the Tropicana and the mechanics’ lienholders in order to provide such financing,
23 the parties were never close to an agreement. By contrast, JVLV has been able to reach an
24 agreement in principal with the Tropicana and M.J. Dean, the general contractor, among other
25 critical creditor constituencies, as more fully set forth in the Modified Tropicana Lease Terms
26 attached to the DIP Financing Motion and the Plan Term Sheet.

27 5. Third, in mid-October 2011, the Debtor received a written offer for potential DIP
28 financing from a company called Select Contracts Canada, Inc. (“Select Contracts”), which is

1 located in Whistler, British Columbia, Canada. Upon information and belief, Select Contracts is
2 a company that designs, builds and operates all types of leisure and entertainment projects,
3 including but not necessarily limited to projects like hotels, theme parks, water parks, and family
4 entertainment centers. Although perhaps well intentioned, the Select Contracts offer had
5 numerous substantial problems. First, the Select Contracts offer was not a firm offer for
6 financing, but rather only indicated that it was "in final discussions with two sources" to raise
7 new capital, and was instead more of an offer to operate the LVME as a form of turnaround or
8 replacement management. Select Contracts has recently acknowledged to the Debtor's counsel
9 that it still does not have such potential financing arranged and that it would need at least several
10 months to do so. Second, Select Contracts proposed to raise additional financing for the LVME
11 by trying to have the Tropicana impose a resort fee on all of its guests, which was a non-starter
12 from the Tropicana's perspective. Third, the Select Contracts offer did not make any practical
13 sense as it proposed to arrange for \$4,500,000 of financing secured by the LVME's artifacts,
14 which are worth, upon information and belief, substantially less. Finally, given the substantial
15 negotiations and efforts were already well underway with JVLV at that point, further
16 negotiations with Select Contracts did not appear likely to resolve LVME's immediate and
17 critical cash needs.

18 6. Fourth, the LVME also solicited the potential interest of GC-Global to provide
19 potential financing, however, no response was received.

20 7. Fifth, the LVME recently had discussions and a meeting about potential financing
21 with Ripley's Entertainment ("Ripley's"), who is the owner and operator of numerous attractions
22 throughout the world using the well-known "Believe It Or Not" theme, however, such
23 discussions did not result in any financing offer due to what I was advised were various reasons.
24 First, a substantial commitment would be required from Ripley's or any party beyond merely the
25 amount of a DIP loan, because the DIP loan would need to be followed by an interest in
26 providing necessary operating capital to revamp the project and to sustain it until it could have
27 sufficient time to return it to its full potential. Second, it is difficult for a third party like
28 Ripley's, who is unfamiliar with the LVME and its existing operations and issues, to make such

1 a substantial commitment in such a short timeframe. In fact, Ripley's, just like any other third
2 party not previously involved or familiar with the LVME, indicated it would need to perform a
3 substantial amount of due diligence prior to making such a large financial commitment, and such
4 a high caliber operator would generally require a more stabilized attraction prior to financing.
5 Given such practical and timing issues, obtaining financing from the Debtor's existing secured
6 creditors was the most likely and reasonable possibility.

7 8. Finally, the LVME recently has met with numerous of its other existing secured
8 creditors in July 2011, including certain of its existing Noteholders, about providing potential
9 further financing, however, only JVLV has demonstrated consistent and meaningful interest and
10 has undertaken the substantial and difficult effort to negotiate and structure such a difficult loan
11 transaction and proposed plan with the various creditor constituencies, including most critically,
12 with the Tropicana and M.J. Dean. As such, I believe that the proposed JVLV financing is the
13 only realistic, available and likely possible financing for the Debtor at this critical juncture.

14 I declare under penalty of perjury of the laws of the United States that these facts are true
15 to the best of my knowledge and belief.

16 DATED: October 23, 2011.

17 /s/ Louis Ventre
18 LOUIS VENTRE
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